

**FILED**

APR - 9 2014

U. S. DISTRICT COURT  
EASTERN DISTRICT OF MO  
ST LOUIS

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF MISSOURI  
EASTERN DIVISION

UNITED STATES OF AMERICA,

Plaintiff,

V.

No.

**4:14CR106 ERW/TIA**

EDWARD JONES,

Defendant.

**INDICTMENT**

**COUNT 1**

(Mail Fraud)

The Grand Jury charges:

### A. Introduction

1. In January 2011, the United States Department of Treasury began a program utilizing prepaid debit cards as a way to provide individuals who lacked a traditional bank account with a way of receiving their federal income tax returns electronically.

2. In addition to the financial institution with which the Treasury Department launched the program, tax filers possessed the ability to have their tax returns deposited to the accounts of commercial prepaid debit cards such as the NetSpend Card issued by MetaBank.

3. Once the Internal Revenue Service processed the federal income tax return, any tax refund owed and due the tax filer would be electronically transmitted to the financial account

number provided by the tax filer or his preparer without regard to whether the account number was associated with a traditional bank account or a prepaid debit card.

**B. The Scheme to Defraud**

1. Beginning on or about February 20, 2009, and continuing through on or about April 5, 2012, in the Eastern District of Missouri and elsewhere, the defendant,

**EDWARD JONES,**

did devise and intend to devise a scheme and artifice to defraud and obtain money and property by means of false and fraudulent pretenses, representations and promises from the Internal Revenue Service and financial institutions that could be induced by the defendant to issue electronic tax refunds and prepaid debit cards in the identities of others, well knowing that such representations and promises would be and were false and fraudulent when made.

2. The scheme and artifice to defraud and obtain money by means of false and fraudulent pretenses, representations and promises so devised and intended to be devised by the defendant and others was in substance as follows:

a. It was a part of the scheme and artifice to defraud and obtain money that defendant represented himself as a federal income tax preparer and state property tax credit preparer to various individuals;

b. It was further a part of the scheme and artifice to defraud and obtain money that defendant obtained the names, dates of birth, and social security numbers of individuals desiring to have their federal and state income tax returns filed electronically;

c. It was further a part of the scheme and artifice to defraud and obtain money that defendant obtained the names and social security numbers of minors to fraudulently use as dependents upon the income tax returns that he prepared;

d. It was further a part of the scheme and artifice to defraud and obtain money that defendant prepared the income tax returns by asserting that the tax filers were self-employed individuals with dependents who were entitled to unsubstantiated deductions and earned income credit resulting in substantial tax refunds;

e. It was further a part of the scheme and artifice to defraud and obtain money that defendant opened prepaid debit card accounts with commercial prepaid debit card issuers such as Metabank through the internet in the names of the tax filers;

f. It was further a part of the scheme and artifice to defraud and obtain money that defendant provided his residence and residences associated with him as the addresses to which the fraudulently opened prepaid debit card would be mailed;

g. It was further a part of the scheme and artifice to defraud and obtain money that defendant filed electronically the fraudulent tax returns with the Internal Revenue Service;

h. It was further a part of the scheme and artifice to defraud and obtain money that defendant provided the fraudulently obtained prepaid debit card account number and account numbers of other financial institutions to the Internal Revenue Service;

i. It was further part of the scheme and artifice to defraud and obtain money that the Internal Revenue Service processed the fraudulent tax returns and authorized the Treasury Department to electronically transmit the fraudulently obtained tax refund to the account number provided by defendant; and,

j. It was further part of the scheme and artifice to defraud and obtain money that defendant utilized the fraudulently obtained prepaid debit cards and financial accounts funded with the fraudulently obtained federal income tax refunds in order to make cash withdrawals.

C. **The Mailing**

3. On or about February 3, 2011, in the Eastern District of Missouri, the defendant,

**EDWARD JONES,**

for the purpose of executing the foregoing scheme and artifice to defraud and attempting to do so, did knowingly cause to be deposited a letter containing a fraudulently obtained NetSpend prepaid debit card issued by MetaBank in the name of G.P. which was sent and delivered by the United States Postal Service and a private and commercial interstate carrier from the distribution center for Metabank in Shoreview, Minnesota to G.P. at defendant's residence, that being: 6031 Horton Place, St. Louis, Missouri 63112.

In violation of Title 18, United States Code, Sections 1341 and 2.

**COUNT 2**

(Mail Fraud)

The Grand Jury realleges the facts set forth in paragraphs A and B of Count 1.

C. **The Mailing**

3. On or about February 9, 2011, in the Eastern District of Missouri, the defendant,

**EDWARD JONES,**

for the purpose of executing the foregoing scheme and artifice to defraud and attempting to do so, did knowingly cause to be deposited a letter containing a fraudulently obtained NetSpend

prepaid debit card issued by MetaBank in the name of S.R. which was sent and delivered by the United States Postal Service and a private and commercial interstate carrier from the distribution center for Metabank in Shoreview, Minnesota to S.R. at the address of W.S., a relative of defendant's, that being: 2729 Park Place, St. Louis, Missouri 63104.

In violation of Title 18, United States Code, Sections 1341 and 2.

**COUNTS 3 THROUGH 4**

(False Claims)

The Grand Jury realleges the facts set forth in paragraphs A and B of Count 1.

C. The False Claim

On or about the dates listed below, within the Eastern District of Missouri,

**EDWARD JONES,**

the Defendant herein, knowingly made and presented, and caused to be made and presented, to the Internal Revenue Service, an agency of the Department of the Treasury, claims against the United States for payment, which he knew to be false, fictitious, and fraudulent, by preparing and causing to be prepared, and filing and causing to be filed, what purported to be federal income tax returns, for the individuals named below, knowing such claims for income tax refunds to be false, fictitious, and fraudulent:

<u>COUNT</u>	<u>NAME</u>	<u>TAX DATE</u>	<u>REFUND YEAR</u>	<u>AMOUNT CLAIMED</u>
3	G.P.	1/25/11	2010	\$2,069.00
4	S.R.	2/3/11	2010	\$2,059.00

All in violation of Title 18, United States Code, Sections 287 and 2.

**COUNTS 5 THROUGH 6**

(Aggravated Identity Theft)

The Grand Jury realleges the facts set forth in paragraphs A and B of Count 1.

C. Aggravated Identity Theft

On or about the dates listed below, in the Eastern District of Missouri, the defendant,

**EDWARD JONES,**

in a matter affecting interstate commerce, did knowingly possess, transfer, and use, without lawful authority, a means of identification of another person, to wit, the names, dates of birth, and social security numbers of the persons listed below, during and in relation to the commission of the felony offenses of: wire fraud, Title 18, United States Code, Section 1343; mail fraud, Title 18, United States Code, Section 1341; using an assumed name and address in a mail fraud scheme, Title 18, United States Code, Section 1342; making a false statement, Title 18, United States Code, Section 1001; and, making a false claim, Title 18, United States Code, Section 287:

<u>COUNT</u>	<u>DATE</u>	<u>TAX FILER</u>	<u>FALSELY CLAIMED DEPENDENT</u>
5	1/25/11	G.P.	C.P.
6	2/3/11	S.R.	K.W.

In violation of Title 18, United States Code, Sections 1028A and 2.

A TRUE BILL.

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FOREPERSON

RICHARD CALLAHAN  
United States Attorney

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Assistant United States Attorney